

AUDIT AND GOVERNANCE COMMITTEE – 19 July 2023

Annual Governance Statement 2022/23

Report by Monitoring Officer

RECOMMENDATION

1. The Audit & Governance Committee is RECOMMENDED to approve the Annual Governance Statement 2022/23, subject to the Monitoring Officer making any necessary amendments in the light of comments made by the Committee, after consultation with the Leader of the Council, the Chief Executive, and the Section 151 officer.

Executive Summary

2. The Audit & Governance Committee has the responsibility of approving the Council's Annual Governance Statement (AGS) each year.
3. Local authorities are required to prepare an AGS to be transparent about their compliance with good governance principles. This includes reporting on how they have monitored and evaluated the effectiveness of their governance arrangements in the previous year and setting out any planned changes in the coming period.

Format of the Annual Governance Statement

4. The format of the Annual Governance Statement (AGS) reflects the good practice guidance from CIPFA. The statement is also guided by CIPFA Advisory Note One, "Understanding the Challenge to Local Authority Governance" (March 2022) and describes the Council's governance framework, the steps the Council has taken to ensure that it is effective and establishes key actions that it will put in place to ensure the ongoing effectiveness of its arrangements.
5. The AGS includes:
 - An *opinion* on the Council's governance arrangements from the Council's senior managers and the leader of the Council
 - A review of the *effectiveness* of the Council's governance arrangements
 - A *conclusion* in relation to the effectiveness
 - A review of the *action plan* from last year's statement
 - An *action plan for 2023/24*
 - An *annex* summarising our governance framework
6. The AGS has been prepared by the Council's Corporate Governance Assurance Group (CGAG) which is responsible for monitoring the Council's governance arrangements during the year. The statement reflects enquiries

made of officers with relevant knowledge, experience, and expertise. The review has been undertaken in consultation with the Council's Head of Paid Service, the Monitoring Officer and Chief Finance Officer.

7. In preparing the AGS, CGAG had regards to a set of thematic corporate lead statements. These corporate lead statements are produced by service leads describing the governance in place during the 2022/23 year and highlighting areas of focus for 2023/24. CGAG then monitors these throughout the year.
8. A Governance Questionnaire was circulated to the Council's Extended Leadership Team (ELT) (consisting of mainly Directors or direct reports to Directors). Each ELT member was asked to assess the governance in their area and identify issues of concern and any actions in place.
9. Corporate Directors and Statutory Officers (s151 and MO) were asked to reflect on their own view of the governance within their directorates during 2022/2023 when completing their own Certificates of Assurance.
10. The Strategic Leadership Team (SLT) were asked in April 2023, to work with their managers and review all areas of assurance in their directorate
11. The action plan for 2023/24 will highlight certain aspects of governance which the CGAG consider requires a particular level of focus this year which might not otherwise be apparent from work regularly reported to the Committee. As such, progress reports on these actions will be reported to the Committee through the year. The AGS is therefore a means of giving the Committee, and the public, visibility on those areas of focus.
12. Other governance and audit activity across the Council will be reported to this Committee (and to the Audit Working Group) through the normal work programmes.

Conclusion

13. Based on the position outlined in the AGS, the 'Opinion' expressed in the AGS is:

"It is our opinion that the Council's governance arrangements in 2022/23 were adequate and provide a platform for achieving the Council's priorities and challenges in 2023/24."

14. The Committee is invited to approve the AGS.

Financial Implications

15. There are no direct financial implications arising from this report.

Comments checked by:

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Legal Implications

16. The Accounts and Audit Regulations 2015 require councils to undertake an annual review of their governance. The Regulations require that an Annual Governance Statement, prepared to fulfil this requirement, should form part of the Council's Statement of Accounts. The report is therefore coming to the Committee to meet this purpose and that timescale. A version of the AGS therefore needs to be approved at this meeting.
17. The Regulations also state that the Annual Governance Statement should be prepared in accordance with proper practices. Compliance with the CIPFA guidance (*Delivering Good Governance in Local Government: Framework (2016)*) fulfils this requirement. I confirm that the Statement put forward with this report is compliant with that guidance/framework and with the updated guidance issues by CIPFA to address the coronavirus outbreak.

Comments checked by:

Anita Bradley, Director of Law & Governance, and Monitoring Officer
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Staff Implications

18. There are no direct staff implications arising from this report.

Equality & Inclusion Implications

19. There are no direct equality and inclusion implications arising from this report.

Sustainability Implications

20. There are no direct sustainability implications arising from this report.

Risk Management

21. There are no direct risk management implications arising from this report.

Anita Bradley, Director of Law & Governance, and Monitoring Officer

Annex: Annex 1: Annual Governance Statement 2022/23

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July 2023